

RESOLUTION NO. 20060928-010

WHEREAS, the City proposes to enter into a Master Equipment Lease/Purchase Agreement (“Master Lease”) with Banc of America Leasing & Capital, LLC, as lessor (“Lessor”), and the City as lessee, and proposes to enter into Schedule A under the Master Lease to enable the City to finance the lease/purchase acquisition of up to \$2,340,000 principal amount of Equipment referred to as the Airport Revenue Control System, as more particularly described in Schedule A (“Equipment”), for a term not to exceed five years (including renewal terms) with the intent that the interest portion of the Rental Payments (as defined in the Master Lease), in an amount not to exceed 5.0 % per annum, be excluded from gross income for federal income tax purposes, and, as security for such Rental Payments, the City has agreed to grant a first lien security interest in the Equipment to Lessor, and to make payments, as set forth in Schedule A, sufficient to pay both the principal and interest portion of the Rental Payments under the Master Lease and Schedule A; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

1. That the City Manager, or designee, is authorized to negotiate, execute and enter into a Master Lease, and Schedule A appurtenant to the Master Lease, to finance acquisition of the Equipment in a principal amount not to exceed \$2,340,000 at an interest rate not to exceed 5.0 % per annum, for a lease term not to exceed five years (including renewal terms), and in order to secure the Master Lease

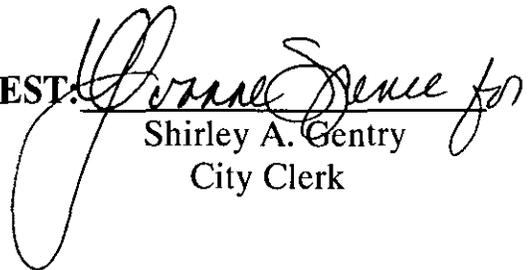
and Schedule A, to grant a first lien security interest in the Equipment, in accordance with the Master Lease and Schedule A, on such terms and conditions as are necessary and advisable to effect the stated purposes of this Resolution; and

2. That the City Manager or designee is authorized to execute, acknowledge and deliver in the name and on behalf of the City attachments, financing statements and other schedules to the Master Lease, other agreements, instruments, certificates and documents, and to take such other action as may be necessary or advisable to enter into the Master Lease and Schedule A.

3. That the City Manager or designee is authorized to make replacements or otherwise substitute other equipment for any of the items that comprise the Equipment if necessary due to inability of the vendor of the Equipment to deliver an item of equipment, so long as such substitution or replacement does not frustrate the purpose for which the Equipment is being leased, or result in an increase in the amount required to be paid by Lessee for the Equipment.

ADOPTED: September 28, 2006

ATTEST:


Shirley A. Gentry
City Clerk